

**THE DIRECTOR OF
CENTRAL INTELLIGENCE**

Deputy Director for National Foreign Assessment

9 July 1981

NOTE FOR:



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SUBJECT: Staff Meeting

I would like to cover the following topics at Friday's staff meeting (0900, room 5F46):

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- Presidential Statement on Non-proliferation Policy (see attachment)
- Results of DCID 1/2 Priorities Review
- Subgroup on Monitoring Nuclear-Related Imports
- New Moves at DoD on Proliferation-Related Planning

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THE WHITE HOUSE

FACT SHEET

PRESIDENTIAL STATEMENT ON NON-PROLIFERATION
AND PEACEFUL NUCLEAR COOPERATION

The President's statement today establishes in general terms the Administration's policy on nuclear non-proliferation and peaceful nuclear cooperation.

Preventing the spread of nuclear explosives to additional countries remains a fundamental national security and foreign policy objective of the United States. The urgency of this task has been highlighted by recent events in the Middle East.

The President's statement marks a shift in emphasis from that of the previous Administration. To pursue non-proliferation more effectively, United States policy will:

- recognize that success depends on our ability to improve regional and global stability and reduce those motivations that can drive countries toward nuclear explosives.
- emphasize international cooperation as the best means to strengthen elements of the non-proliferation regime.
- restore the U.S. as a reliable nuclear supplier under an effective regime of safeguards and non-proliferation controls.

Policy Guidelines

The President announced the following basic policy guidelines:

1. The United States will seek to prevent the spread of nuclear explosives to additional countries as a fundamental national security and foreign policy objective.

-- Further proliferation of nuclear explosives will pose a severe threat to international peace and security, to regional and global stability and to the security of the U.S. and its allies.

2. The United States will strive to reduce the motivation for acquiring nuclear explosives by working to improve regional and global stability and to promote understanding of the legitimate security concerns of other states.

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- Approaches to dealing with proliferation must recognize that it is primarily an international political and security problem, rather than merely one of imposing controls on the civil nuclear fuel cycle.
- Non-proliferation policy will use the range of U.S. diplomatic, economic and national security tools to reduce the motivations of other nations to develop nuclear weapons.

3. The United States will continue to support adherence to the Treaty on the Non-Proliferation of Nuclear Weapons and to the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco) by countries that have not accepted those treaties.

- The President will promptly seek the Senate's advice and consent to ratification of Protocol I of the Treaty of Tlatelolco. Protocol I calls on nations outside the treaty zone to apply the denuclearization provisions of the treaty to their territories in the zone.

4. The United States will view a material violation of these treaties or an international safeguards agreement as having profound consequences for international order and United States bilateral relations, and also view any nuclear explosion by a non-nuclear-weapon state with grave concern.

- This represents a concern shared by the responsible global community.
- The Administration will focus on working with other nations to prevent such violations or nuclear explosions from taking place.

5. The United States will strongly support and continue to work with other nations to strengthen the International Atomic Energy Agency to provide for an improved international safeguard regime.

- Maintaining and strengthening of IAEA safeguards is vital to achievement of U.S. non-proliferation and nuclear cooperation policies.
- The United States will support the development by the IAEA of the improved safeguards techniques, procedures and instrumentation needed for the larger and more sophisticated nuclear facilities which are likely to be deployed in the coming years.
- The United States will stress further development of strong international institutions as important in limiting proliferation risks.
- The United States will continue to support efforts to develop effective regimes under the auspices of the IAEA, such as international plutonium storage and improved cooperation in spent fuel management.

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- The United States will support the continuing work under IAEA auspices of the Committee on Assurance of Supply, with the objective of restoring confidence, trust and mutual understanding in the field of international trade within the framework of effective safeguards.
- The United States will support IAEA programs to enhance nuclear safety and will cooperate in international efforts to further such activities, including the negotiation of a multilateral convention on nuclear safety cooperation and mutual emergency assistance.
- The United States will support effective physical protection of nuclear material, including wide adherence to the Convention on the Physical Protection of Nuclear Material.
- The United States will seek to improve security measures for international transport of plutonium and highly enriched uranium and to encourage the substitution of lower enriched fuels in research reactors at the earliest possible date.
- The United States will support strengthened international cooperation in environmentally sound waste management.

6. The United States will seek to work more effectively with other countries to forge agreement on measures for combatting the risks of proliferation. The United States will work actively with other nations to:

- prevent the transfer to non-nuclear-weapon states of any significant nuclear material, equipment or technology which would not be subject to IAEA safeguards;
- inhibit transfers of sensitive nuclear material, equipment and technology, particularly where the danger of proliferation demands;
- seek to adopt uniform non-proliferation conditions of supply in order to insulate nuclear export safeguards and conditions from commercial competition;
- obtain agreement on acquiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new nuclear supply commitment.

Enhanced Nuclear Supply Credibility

The President's statement stresses that the United States will cooperate with other nations in the peaceful uses of nuclear energy, under a regime of peaceful nuclear cooperation agreements with effective safeguards and controls. Many friends and allies of the United States have a strong interest in nuclear power and have, in recent years, lost confidence in the ability of our nation to recognize their needs.

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The President's statement sets forth the objective of re-establishing the United States as a predictable and reliable partner for peaceful nuclear cooperation under effective safeguards. If other countries go their own ways, United States influence will be diminished and our effectiveness in gaining the support we need to deal with proliferation problems will be reduced.

To attain this, the President is:

1. Instructing the Executive Branch agencies to undertake immediate efforts to ensure expeditious action on export requests and approval requests under agreements for peaceful nuclear cooperation, where the necessary statutory requirements are met.
 - The United States will normally, at the time of issuing an export license, authorize those retransfers of nuclear material or equipment that precede use in reactors.
 - The United States will approve requests for the retransfer of spent fuel for reprocessing in the United Kingdom and France where the necessary statutory requirements are met.
 - The United States will consider requests for the disposition or use of plutonium on the merits of each case pending development of further policy on reprocessing and plutonium use.
2. Requesting that the Nuclear Regulatory Commission act expeditiously on these matters.

The Administration will not oppose commercial civil reprocessing and breeder reactor development abroad in nations with advanced nuclear programs where it does not constitute a proliferation risk. The United States will continue to oppose the introduction of these and other sensitive facilities in regions of instability and will seek to have all suppliers undertake efforts to achieve this objective.

Implementation

The President is instructing the Secretary of State, working with the other responsible agencies, to give priority attention to efforts to reduce proliferation risks, to enhance the international non-proliferation regime and, consistent with United States security interests, to re-establish a leadership role for the United States in international nuclear affairs. Among the reviews that are to be carried out under this mandate are:

- a review of what steps might be appropriate, consistent with United States non-proliferation objectives, to facilitate or remove impediments to commercial relations in the field of nuclear energy;
- a review of applicable laws, regulations and procedures to determine whether changes should be sought;
- a review to develop a predictable policy for exercising United States rights to approve reprocessing, and plutonium use.

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